

# House File 641 - Introduced

HOUSE FILE \_\_\_\_\_  
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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act modifying general policy provisions applicable to  
2 telecommunications regulation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2263YH 83  
5 rn/sc/14

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1 1 Section 1. Section 476.95, Code 2009, is amended to read  
1 2 as follows:  
1 3 476.95 FINDINGS == STATEMENT OF POLICY.  
1 4 The general assembly finds all of the following:  
1 5 1. Communications services should be available throughout  
1 6 the state at just, reasonable, and affordable rates from a  
1 7 variety of providers.  
1 8 2. In rendering decisions with respect to regulation of  
1 9 telecommunications companies, the board shall consider the  
1 10 effects of its decisions on the provision of advanced  
1 11 communications services, shall balance local economic  
1 12 development and competition in telecommunications markets and,  
1 13 to the extent reasonable and lawful, shall act to further the  
1 14 development of competition adequate services at just,  
1 15 reasonable, and affordable rates in those markets.  
1 16 3. In order to encourage competition for all promote  
1 17 adequate telecommunications services and the continued  
1 18 deployment of advanced communications services, the board  
1 19 should address issues relating to the movement of prices  
1 20 toward cost and the removal of subsidies in the existing price  
1 21 structure of the incumbent local exchange carrier shall  
1 22 consider compensation issues in light of the provision,  
1 23 maintenance, and upgrade costs of advanced communications  
1 24 services and the principle of just, reasonable, and affordable  
1 25 rates for communications services throughout the state.  
1 26 4. Regulatory flexibility is appropriate when competition  
1 27 provides customers with competitive choices in the variety,  
1 28 quality, and pricing of communications services, and when  
1 29 consistent with consumer protection and other relevant public  
1 30 interests.  
1 31 5. The board ~~should~~ shall respond with speed and  
1 32 flexibility to changes in the communications industry.  
1 33 6. Economic development can be fostered by the existence  
1 34 of advanced ~~communications networks~~ communications services.  
1 35 Sec. 2. Section 476.96, Code 2009, is amended by adding  
2 1 the following new subsection:  
2 2 NEW SUBSECTION. 0A. "Advanced communications services"  
2 3 means high-speed, switched broadband telecommunications that  
2 4 enable users to originate and receive high quality voice,  
2 5 data, graphics, and video technology.  
2 6 Sec. 3. Section 476.96, subsection 6, Code 2009, is  
2 7 amended to read as follows:  
2 8 6. "Nonbasic communications services" means all  
2 9 communications services subject to the board's jurisdiction  
2 10 which are not deemed either by statute or by rule to be basic  
2 11 communications services, including advanced communications  
2 12 services and any service offered by the local exchange carrier  
2 13 for the first time after July 1, 1995. A service is not  
2 14 considered new if it constitutes the bundling, unbundling, or  
2 15 repricing of an already existing service. Consistent with  
2 16 community expectations and the public interest, the board may  
2 17 reclassify by rule as nonbasic those two-way switched

2 18 communications services previously classified by rule as  
2 19 basic.

2 20 EXPLANATION

2 21 This bill modifies general policy statements contained in  
2 22 Code chapter 476.95 and applicable to provisions relating to  
2 23 price regulation of telecommunications services providers.

2 24 The bill provides that the utilities board of the utilities  
2 25 division of the department of commerce shall consider the  
2 26 effects of its regulatory decisions on the provision of  
2 27 advanced telecommunications services, shall balance local  
2 28 economic development and competition, and shall act to further  
2 29 the development of adequate services at just, reasonable, and  
2 30 affordable rates. Further, the bill deletes a provision  
2 31 directing the board to address issues relating to the movement  
2 32 of prices toward cost and the removal of subsidies in the  
2 33 existing price structure of the incumbent local exchange  
2 34 carrier in order to encourage competition. This provision is  
2 35 replaced with the directive that the board consider

3 1 compensation issues in light of the provision, maintenance,  
3 2 and upgrade costs of advanced communications services and the  
3 3 principle of just, reasonable, and affordable rates for  
3 4 communications services throughout the state in order to  
3 5 promote adequate telecommunications services. Additionally,  
3 6 the bill substitutes the word "shall" for the word "should"  
3 7 with reference to the board responding with speed and  
3 8 flexibility to changes in the communications industry, and  
3 9 changes a reference to "advanced communications networks" to  
3 10 "advanced communications services".

3 11 The bill defines "advanced communications services" to mean  
3 12 high-speed, switched broadband telecommunications that enable  
3 13 users to originate and receive high quality voice, data,  
3 14 graphics, and video technology.

3 15 The bill encompasses "advanced communications services"  
3 16 within the definition of "nonbasic communications services"  
3 17 applicable to telecommunications regulatory provisions.

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